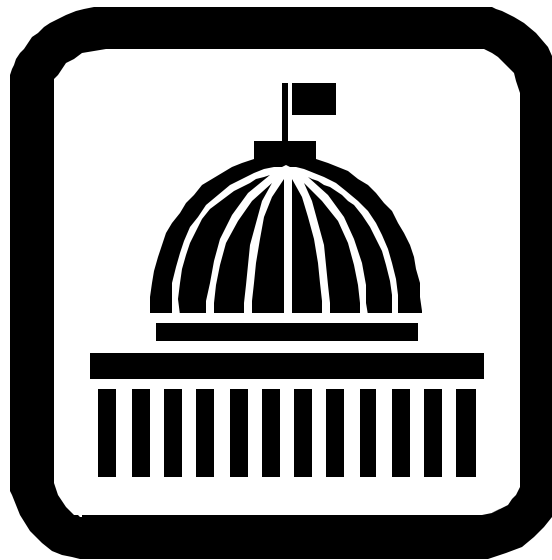


Comprehensive Energy Bill

(Side-By-Side Comparison of H.R. 6 and S. 14)



U.S. Department of the Interior
Minerals Management Service
Office of Congressional Affairs
(202) 208-3502

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1. OCS Oil and Gas – Related Provisions

Legislative Provisions	H.R. 6 (Passed on 4/11/03)	S. 14 (placed on Senate Calendar on 4/30/03)
<i>National Academy of Sciences Study on Renewable Energy on the OCS</i>	<i>Division A—Energy and Commerce, Title VI—ELECTRICITY, Section 16073:</i> DOI to contract with the NAS to study the potential for development of wind, solar and ocean energy on the OCS; assess existing Federal authorities; and recommend statutory or regulatory mechanisms; Report to Congress in 2 years.	<i>Title V—RENEWABLE ENERGY, Subtitle A—General Provisions, Section 503(b) (Renewable Energy on Federal Lands):</i> language similar to that of H.R. 6; <i>Section 501 (Assessment of Renewable Energy Sources):</i> DOE shall review (annually) available assessments of renewable energy resources (solar, wind, biomass, ocean, etc.) within the U.S. and undertake new assessments as necessary; Report (within 1 year) shall include inventory of renewable energy resources and other such information as useful for developing these resources; DOE authorized \$10 million for each year FY 2004-FY 2008.
<i>Fossil Energy/ Authorization of Appropriations—Ultra-Deepwater and Unconventional Resources</i>	<i>Division B—Science, Title 1—Research and Development; Section 21501:</i> Establishes an Ultra-Deepwater and Unconventional Natural Gas and Other Petroleum Research Fund; applies to each fiscal year 2004 through 2010; after other distributions required by law (i.e. LWCF, et al) 7.5 % of gross revenues from royalties, rentals, and bonuses derived from the OCSLA and Mineral Leasing Act shall be deposited in this fund; monies available to DOE for allocation to ultra-deepwater natural gas and other petroleum activities (67.5%), unconventional natural gas and other petroleum resource activities (22.5%), and research (10%).	No such provision is provided in S. 14.
<i>Ultra-Deepwater and Unconventional Natural Gas and Other Petroleum Resources--Program Authority</i>	<i>Division B—Science, Title 1—Research and Development, ULTRA-DEEPWATER AND UNCONVENTIONAL NATURAL GAS AND OTHER PETROLEUM RESOURCES, Section 21521:</i> DOE shall carry out a research program addressing ultra-deepwater technology, ultra-deepwater architecture and unconventional natural gas and other petroleum resource exploration and production technology; shall be carried out in OCS areas not under moratoria as of 11/30/02, onshore public lands administered by DOI, and onshore private lands, subject to applicable law with agency or State approval.	<i>Title IX—RESEARCH AND DEVELOPMENT; Subtitle E—Fossil Energy; Section 952:</i> DOE shall conduct a program of research , development, demonstration , and commercial application on oil and gas including, exploration and production, gas hydrates, reservoir life and extension, transportation and distribution infrastructure, ultra-clean fuels. heavy oil and oil shale, and related environmental research.

<i>Ultra-Deepwater and Unconventional Natural Gas and Other Petroleum Resources--Ultra-Deepwater Program</i>	<i>Division B—Science, Title 1—Research and Development, ULTRA-DEEPWATER AND UNCONVENTIONAL NATURAL GAS AND OTHER PETROLEUM RESOURCES, Section 21522: DOE shall maximize the value of ultra-deepwater resources by increasing supply and reducing the costs associated with exploration and production—while improving safety and minimizing environmental impacts; DOE shall select and contract with a consortium to manage awards, make recommendations, disburse funds, and carry out other activities; an annual plan describing ongoing and prospective activities shall be prepared by DOE and transmitted to Congress; and an Ultra-Deepwater Advisory Committee shall be established.</i>	No such provision is provided in S. 14.
<i>Ultra-Deepwater and Unconventional Natural Gas and Other Petroleum Resources--Unconventional Natural Gas and Other Petroleum Resources Program</i>	<i>Division B—Science, Title 1—Research and Development, ULTRA-DEEPWATER AND UNCONVENTIONAL NATURAL GAS AND OTHER PETROLEUM RESOURCES, Section 21523: DOE shall carry out activities to maximize the value of the onshore unconventional natural gas and other petroleum resources by increasing supply and reducing the costs associated with exploration and production—while improving safety and minimizing environmental impacts; DOE to give preference in making awards to consortia.</i>	No such provision is provided in S. 14.
<i>Ultra-Deepwater and Unconventional Natural Gas and Other Petroleum Resources-- Advisory Committees</i>	<i>Division B—Science, Title 1—Research and Development, ULTRA-DEEPWATER AND UNCONVENTIONAL NATURAL GAS AND OTHER PETROLEUM RESOURCES, Section 21525: establishes <u>Ultra-Deepwater Advisory Committee Unconventional Resources Technology Advisory Committee</u> to advise DOE on development and implementation of programs .</i>	No such provision is provided in S. 14.
<i>Ultra-Deepwater and Unconventional Natural Gas and Other Petroleum Resources—Fund</i>	<i>Division B—Science, Title 1—Research and Development, ULTRA-DEEPWATER AND UNCONVENTIONAL NATURAL GAS AND OTHER PETROLEUM RESOURCES, Section 21527: establishes in the U.S. Treasury an Ultra-Deepwater and Unconventional Natural Gas and Other Petroleum Research Fund.</i>	No such provision is provided in S. 14.

<i>Ultra-Deepwater and Unconventional Natural Gas and Other Petroleum Resources--Transfer of Advanced Oil and Gas Exploration and Production Technologies</i>	<i>Division B—Science, Title I—Research and Development, ULTRA-DEEPWATER AND UNCONVENTIONAL NATURAL GAS AND OTHER PETROLEUM RESOURCES, Section 21528:</i> DOE shall review Federal technology programs to assess suitability of technologies for ultra-deep drilling research; no less than 1 year after enactment DOE shall select organization to manage technology transfer program; \$1 million available each year FY 2004—FY 2007.	No such provision is provided in S. 14.
<i>Ultra-Deepwater and Unconventional Natural Gas and Other Petroleum Resources--Sunset</i>	<i>Division B—Science, Title I—Research and Development, ULTRA-DEEPWATER AND UNCONVENTIONAL NATURAL GAS AND OTHER PETROLEUM RESOURCES, Section 21529:</i> Shall terminate on 09/30/10.	No such provision is provided in S. 14.
<i>Royalty Incentives For Certain Offshore Areas</i> <i>a) OCS Shallow Water Deep Gas Royalty Relief (Existing Leases)</i>	<i>Division C—Resources, Title II—OIL AND GAS, Section 30204—</i> a) OCS Shallow Water Deep Gas Royalty Relief Act; provides royalty incentives for production and new technology development; royalty relief granted for OCS gas produced on Gulf tracts located in 200 m or less water depths and wholly West of 87 degrees, 30 minutes West longitude and on leases issued prior to 1/01/01; suspension volumes of at least--15 BCF (tvd 15,000' -17,999'), 25 BCF (tvd 18,000' -19,999', 35 BCF (ultra deep), 5 BCF (for up to 2 unsuccessful wells—18,000' from producing tract); DOI shall not grant incentives if NYMEX price exceeds \$5 per million Btu for 1 calendar year; 5-year sunset provision as written would require that all qualified wells be drilled and the full suspension volumes produced during the 5-year window--any production produced beyond the 5-year window and short of the suspension volumes would no longer qualify for the relief. [Note: The language is similar to MMS proposed rule, but different in that 1) it is mandatory for 5 years, 2) there is a third tier of relief of 35 BCF; 3) the 5 BCF relief for up to 2 unsuccessful wells can only be applied to deep gas wells drilled on the lease and 4) suspension volumes must be used in 5-year window.]	<i>Title I—OIL AND GAS, Subtitle A—Production Incentives</i> a) Requires DOI to promulgate rule within 90 days of enactment providing incentives for natural gas produced from deep wells in shallow water of the Gulf of Mexico [Note: Landrieu amendment accepted by the SENR Committee proposes language for ultra-deep gas wells that is identical to H.R. 6.] 5-year sunset provision as written would require that all qualified wells be drilled and the full suspension volumes produced during the 5-year window--any production produced beyond the 5-year window and short of the suspension volumes would no longer qualify for the relief.

<p><i>b) Deep Water Royalty Relief (New Leases)</i></p>	<p>b) Amends section 8(a) of the OCSLA; for tracts in 400+ meter water depths in Gulf (West of 87 degrees, 30 minutes West longitude) and Alaska frontier areas; for lease sales after enactment and before July 1, 2007; royalty suspension volumes are not less than 5 million BOE (400-800m), 9 million BOE (800-1600m), 12 million BOE (1,600+m) . [Note 1: Parallels what MMS is doing administratively, but would make it mandatory for 4 years.] [Note 2: Language that adds Alaska OCS areas to Gulf of Mexico areas that receive deepwater royalty relief is due to a legislative drafting error.] [Note 3: Legislative intent is to mandate incentives through current 5-Year Leasing Program for 2002-2007.]</p>	<p>b) Senate language only applies to Gulf of Mexico deepwater and suspension volumes are similar to those in H.R. 6; specifies application to any oil or gas lease sale under OCSLA occurring within 5 years after enactment date. [Note 1: Also, does not contain any deep water incentives for Alaska OCS areas.] [Note 2: Legislative intent is to mandate incentives through current 5-Year Leasing Program for 2002-2007.]</p>
<p><i>c) Royalty Relief for Non-Producing Alaska Leases (Existing Leases)</i></p>	<p>c) Amends section 8(a)(3)(B) of the OCS Lands Act to allow the DOI authority to provide royalty relief on existing non-producing leases in the Alaska OCS.</p>	<p>c) Language similar to that of H.R. 6.</p>
<p><i>Marginal Property Production Incentives</i></p>	<p><i>Division C—Resources, Title II—OIL AND GAS, Section 30205—</i> <u>Onshore</u>--provides independent producers incentives for extended production that are still producible but approaching abandonment; upon request by operator (independent producer); reduce royalty rate of marginal property rate (1) when spot prices of West Texas Intermediate is less than \$15 per bbl (90 consecutive trading days) or (2) the spot price at Henry Hub is less than \$2 per million Btu's (90 consecutive days); royalty rate shall be the lesser of 5% or the applicable rate; reduced royalty rate termination when West Texas Intermediate crude and Henry Hub rates above are exceeded for 90 consecutive trading days. <u>For both onshore and offshore areas</u>—DOI shall consult with DOE on rules and standards for marginal wells considering prices, production/abandonment costs, tax provisions, royalty relief programs, regional differences, national energy security issues ; rule must be developed in 1 year and define what constitutes an OCS “marginal property.”</p>	<p><i>Title I—OIL AND GAS, Subtitle A—Production Incentives, Section 104--</i>Language similar to that of H.R. 6. No significant exceptions noted.</p>

<p><i>Alternative Energy – Related Uses on the Outer Continental Shelf</i></p>	<p><i>Division C—Resources, Title II—OIL AND GAS, Section 30214—Identical to H.R. 793(authorizes DOI to grant easements or ROWs for energy related activities on the OCS); would protect the Federal government’s economic and land use interests, provide an administrative framework, expedite energy projects on the OCS, environmentally safe operations, authorize alternative uses of existing structures, ensure fair return for easements or rights-of-ways; amends Section 8 of the OCSLA (43 U.S.C. 1337); DOI to consult with Coast Guard (Secy of that Dept.) and other federal agencies on activities not otherwise covered by Deepwater Ports Act, OTEC Act; authorizes the DOI to prescribe any necessary regulations to assure safety, environmental protection, National Security interests, correlative rights; authorizes annual or one-time payments; easements can be issued on a competitive/noncompetitive basis; requires surety bond; shall not apply to OCS areas designated National Marine Sanctuaries; and does not supercede other authorities.</i></p>	<p><i>Title I—OIL AND GAS, Subtitle A—Production Incentives, Section 110—Similar in concept to provision in H.R. 6. Exceptions to this are as follows: easements and rights-of-way related to oil and gas exploration and development shall not be granted in areas where oil and gas activities are prohibited by Congressional moratoria or a withdrawal pursuant to section 12 of this Act; regulations developed shall establish procedures for consideration of State CZM programs pursuant to sections 305 or 306 of the CZMA Act (16 U.S.C. 1454, 1455); this subsection shall not apply to units of the National Park System, National Wildlife Sanctuaries, National Wildlife Refuges, National Monuments, as well as National Marine Sanctuaries.</i></p>
<p><i>Deadline for Decision on Appeals on Consistency Determination Under Coastal Zone Management Act of 1972</i></p>	<p><i>Division C—Resources, Title II—OIL AND GAS, Section 30215—Amends section 319 of the CZMA of 1972 (16 U.S.C. 1465); initial notice published in FR within 30 days of a consistency appeal filing; record of decision closed within 360 days after initial notice published; closure immediately published in FR notice; period may be extended by mutual agreement of parties or as needed to develop any NEPA analysis ; DOC to issue decision on appeal within 90 days of publication of record closure notice; shall not affect appeals filed prior to enactment.</i></p>	<p>No such provision is provided in S. 14.</p>
<p><i>Royalty Payments For Certain Leases Under the OCSLA (West Delta)</i></p>	<p><i>Division C—Resources, Title II—OIL AND GAS, Section 30220: Compensates lessees and States as authorized under section 6004 (c) of the Oil Pollution Act of 1980; eligible lessees may withhold royalties due to the U.S. if it makes payment to the State 44 cents for every \$1of royalty withheld; Treasury Dept. shall determine amount of royalty withheld and promptly publish a certification when the total amount withheld equals the lessee’s share of the total drainage claim for West Delta as described on page 47 of Senate Report 101-534; applies to royalty amounts due beginning January 1, 2003.</i></p>	<p>No such provision is provided in S. 14.</p>

<i>Coastal Impact Assistance</i>	No such provision is provided in H.R. 6 as passed.	<i>Title I—OIL AND GAS, Subtitle A—Production Incentives, Section 111</i> —Adds new section 32 to OCS Lands Act (16 U.S.C.1331 et seq.); authorizes appropriation of 12.5% of qualified OCS revenues for FY 2004-FY 2009; payments are to be made to producing coastal states with approved Coastal Impact Assistance Plans (CIAP) and coastal political subdivisions; payment based on the ratio of OCS revenues generated off the coastline of a producing coastal State to all OCS revenues generated in a FY; 25% of a producing coastal State's share shall be paid to political subdivisions based on population, length of coastal shoreline, distance to leased tract; calculations for FY 2004-FY 2006 will be based on FY 2003 revenues; calculations for FY 2007-FY 2009 will be based on FY 2006 revenues; CIAP shall be submitted to DOI by 7/1/04; DOI shall approve or disapprove plan within 90 days of submission; authorized uses —wetland restoration/conservation/protection, fish/wildlife/natural resource mitigation, planning assistance/administrative compliance costs; approved Federal marine/coastal/conservation management plan implementation and mitigating OCS impacts.
<i>Comprehensive OCS Inventory</i>	[Note: Provision Struck from H.R. 6 during House floor debate.]	<i>Title I—OIL AND GAS, Subtitle A—Production Incentives, Section 105</i> —DOI shall conduct an inventory and analysis of oil and gas resources beneath all OCS waters; use available data on oil and gas resources offshore Mexico and Canada; use any available technology (except drilling) to obtain resource estimates; analyze change in resource estimates over time; shall estimate the effect understated oil and gas inventories have on domestic investments; how program or processes (i.e. moratoria, lease terms and conditions, lease stipulations, etc.) impede development of resources — thus affecting domestic supply; DOI shall submit report to Congress with recommendations within 6 months of enactment; report will be updated every 5 years.

2. Minerals Revenue Management – Related Provisions

Legislative Provisions	H.R. 6 (Passed on 4/11/03)	S. 14 (placed on Senate Calendar on 4/30/03)
<i>Strategic Petroleum Reserve</i>	<i>Division A—Energy and Commerce, Title II—OIL AND GAS, Section 12101(Full Capacity of SPR):</i> Fill the SPR to full capacity as soon as practicable and by the most practicable and effective means; consideration is to be given to <u>domestically produced petroleum and RIK oil</u> ; <i>Section 12102 (SPR Expansion):</i> DOE shall present Congress with plan to expand SPR to 1 billion barrels .	<i>Title I—OIL AND GAS, Subtitle A—Production Incentives, Section 101:</i> Amends Title I and II of the Energy Policy and Conservation Act; <i>Section 102:</i> DOE shall conduct a study on petroleum (all sources) and natural gas storage capacity and operational inventory levels by geographic regions; study will address inventory level ranges, storage capacity trends, projected operation inventory levels; explain inventory levels below the norm, ability for industry to meet U.S. demand; Report to Congress on study within 1 year of enactment.
<i>Indian Energy</i>	<i>Division C—Resources, Title I—INDIAN ENERGY, Section 30101:</i> amends Title XXVI of the Energy Policy Act of 1992.	<i>Title III—INDIAN ENERGY, Sections 301-306:</i> <u>Indian Tribal Energy Development and Self-Determination Act of 20003.</u>
<i>Program on Oil and Gas Royalties in Kind</i>	<i>Division C—Resources, Title II—OIL AND GAS, Section 30201—</i> Permanent authority for DOI to use RIK revenues from RIK production to pay costs of transportation and processing; RIK revenues may be used for costs related to filling SPR; Report on details methodologies, evaluation process, amounts and public benefits due to Congress by June 30, 2004; requires State consultation; preference to small refineries may be granted; Section 27 of OCSLA applies to disposition of OCS RIK production.	<i>Title I—OIL AND GAS, Subtitle A—Production Incentives, Section 103—</i> Language similar to that of H.R 6. Exceptions to this are as follows: applicability <u>limited through 9/20/13</u> ; RIK revenues cannot be used for personal travel, but may use be used for costs of transportation and processing, and costs related to filling SPR; Report to Congress by 09/30/05 on future RIK business operation plans and objectives; <u>annual Report to Congress (2004-2013)</u> describing methodologies used to determine RIK benefits equal to or greater than royalty in value, actual revenues received and cost savings incurred, other benefits or detriments associated with RIK.
<i>Federal Reimbursement for Orphan Well Reclamation</i>	<i>Division C—Resources, Title II—OIL AND GAS, Section 30210—</i> Applies to oil and gas leases containing 1 or more orphaned wells; (lease condition) lessee may be required to reclaim all orphaned wells on the land leased; DOI to provide lessee with credit against royalties for 100% of actual cost of reclaiming wells; lessees under a federal oil and gas lease may be required to reclaim orphan wells on other lands—for Federally owned or unleased OCS lands, or leases which the lessee is not legally responsible, royalty credit to amount to 115%; a credit against royalties required	<i>Title I—OIL AND GAS, Subtitle A—Production Incentives, Section 108—</i> General: Orphan well plan to be developed 1 year after enactment by DOI and DOA; program applies to oil and gas wells on onshore lands administered by Interior and Agriculture Departments, DOI to closely consult/coordinate with DOE and DOA; for non-federal lands--DOE to develop 10-year technical assistance program for States; quantify wells; mitigate environmental risks; rank sites; establish remediation training programs; subject to appropriations of \$25

	to be provided to a lessee may be reported against royalties on production on <u>any</u> oil or gas lease.	million for each FY 2004-2008, \$5 million of this will each year be allocated for tech assistance.
<i>Reimbursement for Costs of NEPA Analyses, Documentation, and Studies</i>	<i>Division C—Resources, Title II—OIL AND GAS, Section 30213</i> —Amends the Mineral Leasing Act; through royalty credits, the Secy can reimburse lessees/operators/etc. for any reasonable amounts paid for project-level analysis, documentation, or studies under NEPA; applies to any lease entered into before, on, or after enactment; and regulations are to be issued no later than 90 days after enactment.	No such provision is provided in S. 14.
<i>Geothermal Energy-- Special Provisions Regarding Direct Use of Low Temperature Geothermal Energy Resources</i>	<i>Division C—Resources, Title VI—GEOTHERMAL ENERGY, Section 30602</i> : Amends Section 4 of the Geothermal Steam Act of 1970 (the Act) in that lands leased under this Act exclusively for qualified development and direct utilization of low temperature geothermal resources shall be leased to any qualified applicant; amends Section 5 of the Act in that in lieu of any royalty or rental—an annual fee is assessed to lessees per well of not less than \$100 nor more than \$1,000; DOI shall issue a schedule of fees based on the scale of development and utilization; amends Section 2 of the Act in that any lessee having a lease under the Act that was issued before the date of the enactment may apply to DOI (no later than 18 months after the date enactment) to convert such lease to a lease for qualified development and direct utilization of low temperature geothermal resources; DOI shall approve such an application and convert such a lease not later than 180 days after receipt of such an application.	<i>Title V—RENEWABLE ENERGY, Subtitle C— Geothermal Energy, Section 525(b)</i> : Senate language similar to that of H.R. 6 regarding development of a fee schedule and collection of fees in lieu of royalties based upon the amount of geothermal resources used; with consent of the lessee, DOI may modify the terms of an existing lease (on date of enactment) to reflect the provisions of the subsection.
<i>Geothermal Energy-- Royalties and Near-Term Production</i>	<i>Division C—Resources, Title VI—GEOTHERMAL ENERGY, Section 30603</i> : Amends Section 5 of the Act by applying a royalty rate of 3.5 percent of the gross proceeds from the sale of electricity produced by geothermal resources and 0.75 percent of the gross proceeds from the sale of items produced by the direct use of geothermal resources, other than low temperature geothermal resources ; amends Section 5(a) of the Act to provide a near-term production incentive in that the royalty required to be paid with respect to commercial production of heat or energy from a facility that begins such production in the 6-year period beginning on the date of enactment or on qualified expansion geothermal energy shall be 50% of the	<i>Title V—RENEWABLE ENERGY, Subtitle C— Geothermal Energy, Section 525(a)</i> : Within 1 year of enactment, DOI shall promulgate a final regulation providing a simplified methodology for determining the value of steam for calculating royalties due to be paid under Section 5 of the Geothermal Steam Act of 1970; DOI should consider use of the percent of revenue method and ensure the final rule results in the same level of royalty revenues as the regulation in effect on the date of enactment. [Note: to keep States whole]

	amount of royalty otherwise required to be paid under those provisions, the percentage required to be paid by the Treasury Dept. to a State under those sections shall be 100%.	
<i>Geothermal Energy-- Royalty on By-Products</i>	<i>Division C—Resources, Title VI—GEOTHERMAL ENERGY, Section 30609:</i> Amends Section 5 of the Act by in that a royalty shall be obtained on any by-product that is a mineral named in the Mineral Leasing Act (30 U.S.C. 181) and that is derived from production under a lease; the applicable royalty rate will be the same as that for production of such minerals established in that Act.	No such provision is provided in S. 14.
<i>Geothermal Energy-- Repeal of Authorities of Secretary to Readjust Terms, Conditions, Rentals, and Royalties</i>	<i>Division C—Resources, Title VI—GEOTHERMAL ENERGY, Section 30610:</i> Amends Section 8 of the Act by repealing subsections (a) and (b), and by striking (c).	No such provision is provided in S. 14.
<i>Geothermal Energy-- Crediting of Rental Toward Royalty</i>	<i>Division C—Resources, Title VI—GEOTHERMAL ENERGY, Section 30611:</i> Amends Section 5 of the Act in that any annual rental that is paid with respect to a lease before the first day of the year for which the annual rental is owed shall be credited to the amount of royalty that is required to be paid under the lease for that year.	No such provision is provided in S. 14.
<i>Geothermal Energy-- Advanced Royalties Required for Suspension of Production</i>	<i>Division C—Resources, Title VI—GEOTHERMAL ENERGY, Section 30613:</i> Adds to Section 5 of the Act--if production of heat or energy under a geothermal lease is suspended after the date of any such production for which royalty is required under section 5(a), DOI shall require the lessee, until the end of such suspension, to pay royalty in advance at the monthly pro-rata rate of the average annual rate at which such royalty was paid each year in the 5-year period preceding the date of suspension.	No such provision is provided in S. 14.
<i>Geothermal Energy-- Annual Rental</i>	<i>Division C—Resources, Title VI—GEOTHERMAL ENERGY, Section 30614:</i> Amends Section 5 of the Act in that \$1 per acre or fraction thereof for each year of the lease in the case of a lease awarded in a noncompetitive lease sale or \$2 per acre or fraction thereof for the first year, \$3 per acre or fraction thereof for each of the second through 10 years, and \$5 per acre or fraction thereof for each year after the 10th year thereof, in the case of a lease awarded in	No such provision is provided in S. 14.

	<p>a competitive lease sale; DOI shall terminate any lease with respect to which rental is not paid in accordance with this Act and the terms of the lease under which the rental is required, upon the expiration of the 45-day period beginning on the date of the failure to pay such rental; DOI shall notify lessees that have not paid required rentals that the lease will be terminated; a lease that would otherwise terminate shall not terminate if the lessee pays to DOI the amount of rental due plus a late fee equal to 10% of such amount.</p>	
<p><i>Coal—Payment of Advance Royalties Under Coal Leases</i></p>	<p><i>Division C—Resources, Title VII—COAL, Section 30704:</i> Amends Section 7(b) of the Mineral Leasing Act of 1920; the Secy may suspend the condition of continued operation upon the payment of advance royalties; advance royalties can only be computed based on the average price for coal sold in the spot market from the same region during the last month of each applicable continued operation year; aggregate number of years during the initial and any extended term of any lease for which advance royalties may be accepted in lieu of the condition of continued operation shall not exceed 20; the amount of any production royalty paid for any year shall be reduced (but not below zero) by the amount of any advance royalties paid under such lease to the extent that such advance royalties have not been used to reduce production royalties for a prior year; shall apply to any lease or mining unit in existence on enactment date.</p>	<p><i>Title II—COAL, Subtitle B—Federal Coal Leases, Section 213:</i> Amends section 7(b) of the Mineral Leasing Act of 1920; the language regarding aggregate number of years on advance royalties and reducing production royalty paid is identical to that specified in H.R. 6; <i>Section 215:</i> as with H.R. 6, the amendments apply to any coal leases issued on or after the date of enactment.</p>

3. Miscellaneous Provisions of Interest

Legislative Provisions	H.R. 6 (Passed on 4/11/03)	S. 14 (placed on Senate Calendar on 4/30/03)
<i>Natural Gas Market Data Transparency</i>	<i>Division A—Energy and Commerce, Title II—OIL AND GAS, Section 12402:</i> Federal Energy Regulatory Commission shall issue rules (within 180 days of enact) authorizing or establishing an electronic information system to provide timely access to information as necessary to facilitate price transparency and participation in natural gas markets; requires public availability of aggregate and transition specific data; and establishes civil penalty provision.	No such provision is provided in S. 14.
<i>Compliance with Executive Order 13211; Actions Concerning Regulations that Significantly Affect Energy Supply, Distribution or Use</i>	<i>Division C—Resources, Title II—OIL AND GAS, Section 30212—</i> Persons taking any action which could have significant adverse effects on domestic energy supply from public lands shall comply with Executive Order No. 13211; the Secy shall publish guidance on what constitutes an significant adverse effect; and DOI and DOA shall include implementation provisions in MOU.	No such provision is provided in S. 14.
<i>Task Force on Energy Project Streamlining</i>	<i>Division C—Resources, Title II—OIL AND GAS, Section 30216—</i> The interagency Task Force established pursuant to Executive Order No. 13212 should remain in existence until the President finds that the needs for which it was established have been met.	No such provision is provided in S. 14. However, Section 121 sets up an Office of Federal Energy Permit Coordination similar to that of E.O. 13212—role of office is to coordinate and expedite Federal decisions on energy projects.
<i>Energy Development Facilitator Study</i>	<i>Division C—Resources, Title II—OIL AND GAS, Section 30218:</i> The Chairman of CEQ shall conduct a study on feasibility of establishing a position of Facilitator for Energy Development; Facilitator shall coordinate Federal actions related to energy development; within 12 months of enactment--Chairman shall submit report to House Resources and Senate Energy and Natural Resources Committees detailing its finds and any legislative recommendations.	No such provision is provided in S. 14. However, Section 122 provides for a pilot project to improve Federal permit coordination. BLM field offices will play a role in the pilot study with staff provided by DOI, DOA, EPA, and COE.
<i>Arctic Coastal Plain Domestic Energy—Lease Terms and Conditions</i>	<i>Division C—Resources, Title IV—ARCTIC COASTAL PLAIN DOMESTIC ENERGY, Section 30406:</i> An oil and gas lease shall provide for a royalty payment of not less than 12½% in amount or value of production removed or sold from the lease.	No such provision is provided in S. 14.

<i>Arctic Coastal Plain Domestic Energy—Federal and State Distribution of Revenues</i>	<i>Division C—Resources, Title IV—ARCTIC COASTAL PLAIN DOMESTIC ENERGY, Section 30409:</i> 50% of the adjusted bonus, rental, and royalty revenues from oil and gas leasing shall be paid to the State of Alaska (semi-annually); the balance (except for monies allocated for local govt. impact assistance) shall be deposited in the Treasury; bonus monies received by the U.S. may be appropriated to Health and Human Services to provide assistance under the Low-Income Home Energy Assistance Act of 1981.	No such provision is provided in S. 14.
<i>Permitting Wind Energy Development Projects on Public Lands (onshore)</i>	<i>Division C—Resources, Title VI— MISCELLANEOUS PROVISIONS, Section 30905:</i> DOI shall process right-of-way applications for wind energy site testing and monitoring facilities on public lands administered by BLM in accordance with policies and procedures as set forth in BLM Instruction Memorandum No. 2003-020, dated October 16, 2002; DOI may not impose rent and other charges with respect to any wind energy development project on public lands that, in the aggregate, exceed 50 percent of the maximum amount of rent that could be charged with respect to that project under the terms of the BLM Instruction Memorandum; termination shall not be earlier than the date on which DOI determines there exists at least 10,000 megawatts of electricity generating capacity from non-hydropower renewable energy resources on public lands or the end of the 10-year period beginning on the enactment date.	No such provision is provided in S. 14.
<i>Assessment of Ocean Thermal Energy Resources</i>	<i>Division C—Resources, Title VI—MISCELLANEOUS PROVISIONS, Section 30907:</i> DOI shall review assessments of ocean thermal energy resources, <u>other than resources of any area of the OCS that is subject to a moratorium on leasing for energy exploration or development</u> , that are available in the United States and its territories and possessions and undertake new assessments of such resources as necessary; shall take into account changes in market conditions, available technologies, and other relevant factors; shall publish a Report (within 1 year) on reviews and assessments--containing a detailed inventory of the available amount and characteristics of ocean thermal energy resources, estimates of the costs of	<i>Title IX—RESEARCH AND DEVELOPMENT, Subtitle C—Renewable Energy, Section 931:</i> Appropriates monies for DOE to conduct renewable energy R&D, demonstration and commercial application activities for FY 2004-FY 2008; <i>Section 935:</i> Authorizes DOE to conduct R&D, demonstration and commercial application programs for ocean energy (including wave energy), combined renewable energy technologies, and renewable energy technologies for cogeneration of hydrogen and electricity.

	actions needed to develop and accelerate efforts to commercialize ocean thermal energy conversion, and other information as considered useful in developing ocean thermal energy resources.	
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